

MORGAN, LEWIS & BOCKIUS

PHILADELPHIA
LOS ANGELES
MIAMI
HARRISBURG

COUNSELORS AT LAW
101 PARK AVENUE
NEW YORK, NEW YORK 10178
TELEPHONE: (212) 309-6000
CABLE ADDRESS: MORLEBOCK

WASHINGTON
NEW YORK
SAN DIEGO
LONDON

IAN SHRANK
DIAL DIRECT (212) 309-6076

RECORDATION NO. 13094-F
TELEX 64-5371
Filed 1425

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JAN 22 1988 - 3 12 PM

INTERSTATE COMMERCE COMMISSION

January 18, 1988

Date

Fee \$

ICC Washington, D.C.

Secretary, Interstate Commerce Commission
Washington, D.C. 20423

Re: Documents for Recordation

Dear Secretary:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is an Assumption Agreement, a secondary document, dated as of January 6, 1986. The primary document to which this Assumption Agreement is connected is a Lease of Railroad Equipment recorded under Recordation No. 13094.

We request that this document be cross-indexed.

The names and addresses of the parties to this document are as follows:

Original Lessee: Martin Gas Corporation (as seccessor by merger to the original Martin Gas Sales, Inc.)
101 East Sabine
Kilgore, Texas 75662

New Lessee: Martin Gas Sales, Inc. (a new corporation different from the original Martin Gas Sales, Inc.)
101 East Sabine
Kilgore, Texas 75662

Lessor: MLease Corporation (formerly known as Mercantile Texas Capital Corporation)
1704 Main
Dallas, Texas 75265

ICC OFFICE OF
TELETYPE UNIT
JAN 22 3 43 AM '88

Guarantor: MBank Dallas, National Association (formerly known as Mercantile National Bank at Dallas)
1704 Main
Dallas, Texas 75265

Lenders: The Paul Revere Protective Life Insurance Company
The Paul Revere Variable Annuity Insurance Company, Accounts Nos. 1 and 2
c/o Textron Investment Management
40 Westminster St.
Providence, Rhode Island 02903

A description of the equipment covered by the document follows:

59 molten sulfur tank cars manufactured by Trinity Industries, Inc. in Dallas, Texas, specification 111A100W-3, serial numbers 434549, 434554-434558, 434560 and 434562-434613 and identification numbers MGSX 100, MGSX 105-MGSX 107, MGSX 109 and MGSX 111-MGSX 164, respectively, and AAR designation T-104.

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned (who is counsel to the lenders referred to above).

A short summary of the document to appear in the index follows:

Assumption Agreement, dated as of January 6, 1986, wherein Martin Gas Corporation assigns to Martin Gas Sales, Inc. the Lease of Railroad Equipment, dated as of January 1, 1980, with Recordation No. 13094, each having an address of 101 East Sabine, Kilgore, Texas 75662, covering 59 molten sulfur tank cars.

Very truly yours,


Ian Shrank

IS:dv

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Ian Shrank
101 Park Avenue
New York, NY 10178

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/22/88 at 3:50PM, and assigned re-cordation number(s). 13094-F+G

Sincerely yours,

Narta R. McGee

Secretary

Enclosure(s)

ASSUMPTION AGREEMENT

JAN 22 1988 - 8 10 PM

INTERSTATE COMMERCE COMMISSION

THIS ASSUMPTION AGREEMENT (this "Agreement") dated as of January 3, 1986, made and entered into by and among MARTIN GAS CORPORATION, a Florida corporation ("MGC"), MARTIN GAS SALES, INC., a Texas corporation ("MGS"), MLEASE CORPORATION, a Texas corporation formerly known as Mercantile Texas Capital Corporation ("MLease"), MBANK DALLAS, NATIONAL ASSOCIATION, a national banking association formerly known as Mercantile National Bank at Dallas ("MBank"), THE PAUL REVERE PROTECTIVE LIFE INSURANCE COMPANY, a Delaware corporation ("Revere"), THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY, ACCOUNT NO. 1, a Massachusetts corporation ("Revere No. 1"), and THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY, ACCOUNT NO. 2, a Massachusetts corporation ("Revere No. 2");

W I T N E S S E T H:

WHEREAS, Martin Gas Sales, Inc., a previously existing Texas corporation ("Old Martin Gas"), MLease, MBank, Revere, Revere No. 1 and Revere No. 2 are parties to that certain Participation Agreement dated January 1, 1981 (the "Participation Agreement"), Old Martin Gas and MLease are parties to the related Lease dated as of January 1, 1981 (the "Lease"), as filed with the Interstate Commerce Commission on May 13, 1981, recordation number 13094, and Old Martin Gas and MBank are parties to the related Purchase Agreement Assignment dated as of December 30, 1980 (the "Assignment"); and

WHEREAS, Old Martin Gas was merged (the "Merger") with and into MGC effective December 30, 1985; and

WHEREAS, in connection with the Merger, by operation of law MGC acquired the assets of Old Martin Gas and assumed, among other liabilities, any and all indebtedness, liabilities, duties, responsibilities and obligations arising out of or pursuant to the Participation Agreement, the Lease, the Consent (as defined in the Participation Agreement) and the Assignment, whether arising on or after the date hereof (collectively, the "Obligations"); and

WHEREAS, MGC formed MGS as wholly-owned subsidiary and transferred, among other things, the operating assets of Old Martin Gas to MGS and in consideration of such transfer MGS agreed to assume, among other obligations, the Obligations; and

WHEREAS, as aforesaid MGS desires to assume the Obligations and MGC desires to execute a guaranty in favor of MBank, MLease, Revere, Revere No. 1 and Revere No. 2 pursuant to which MGC will guarantee the payment of the Obligations by MGS and the performance of MGS under the Participation Agreement, the

Lease, the Consent and the Assignment, and, in consideration for such assumption and the execution of such guaranty, MLease, MBank, Revere, Revere No. 1 and Revere No. 2 desire to release MGC from any and all of the Obligations to the extent that MGC may have direct liability therefor as a result of the Merger;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. Assumption of Obligations. MGS hereby irrevocably and unconditionally assumes and promises to pay, and to perform, all of the Obligations, whether arising before, on or after the date hereof, including without limitation the Lease.

2. Release of MGC. Except as provided in the Guaranty (hereinafter defined), MLease, MBank, Revere, Revere No. 1 and Revere No. 2 hereby irrevocably and unconditionally release and discharge MGC from any and all liability or obligation for the Obligations. Except as provided in the Guaranty, this release is intended to be a general release of MGC from the Obligations to the extent that MGC may have direct liability therefor as a result of the Merger without limitation of any kind.

3. Effect. Except as modified by the express terms and provisions of this Agreement, the Participation Agreement, the Lease and the Assignment shall remain in full force and effect. References to "Lessee" or Old Martin Gas in the Participation Agreement, the Lease and the Assignment shall hereafter refer to MGS rather than Old Martin Gas.

4. Guaranty. In connection with the matters covered by this Agreement, MGC is concurrently executing and delivering to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 a Guaranty Agreement in the form attached hereto as Exhibit A (the "Guaranty"), pursuant to which MGC is guaranteeing the payment of the Obligations by MGS and the performance of MGS under the Participation Agreement, the Lease and the Assignment.

5. Representations of MGC. In order to induce MBank, MLease, Revere, Revere No. 1 and Revere No. 2 to enter into this Agreement, MGC hereby represents and warrants to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 as follows:

(a) MGC is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida.

(b) MGC possesses all requisite power and authority to execute, deliver and perform this Agreement and the Guaranty.

(c) The execution, delivery and performance of this Agreement and the Guaranty have been duly authorized by all necessary corporate action on the part of MGC.

(d) Notwithstanding the exceptions referred to in Section 5(f) hereof, this Agreement and the Guaranty have been duly executed and delivered by MGC, and this Agreement and the Guaranty constitute the valid and binding obligations of MGC, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and subject to the qualification that equitable principles may limit the availability of certain equitable remedies (such as specific performance).

(e) No approval or consent is required for the authorization, execution, delivery or performance of this Agreement and the Guaranty by MGC which has not been obtained, except for consents necessary under (i) the Revolving Credit Agreement dated December 31, 1985, between Southeast Bank, N.A., West Florida Natural Gas Company, a previously existing Florida corporation ("Old West Florida") and certain subsidiaries of Old West Florida, and (ii) the Guarantee Agreement dated May 12, 1981, between Old West Florida and Bank South, N.A., neither of which have been obtained.

(f) The execution, delivery and performance of this Agreement and the Guaranty will not cause MGC to be in violation of, or in default under, its articles of incorporation or bylaws, or, any laws, orders, injunctions, decrees or regulations applicable to it, or any material agreement or instrument to which it is a party or by which any of its properties may be bound, except (i) the Revolving Credit Agreement dated December 31, 1985, between Southeast Bank, N.A., Old West Florida and certain subsidiaries of Old West Florida, and (ii) the Guarantee Agreement dated May 12, 1981, between Old West Florida and Bank South, N.A.

(g) MGC is the owner and holder of all of the issued and outstanding shares of capital stock of MGS.

(h) Substantially all of the assets of Old Martin Gas are owned by MGS, MGC or a direct or indirect subsidiary of MGC.

(i) There are no actions, suits or proceedings, whether or not purportedly on behalf of MGC, pending or (to its knowledge) threatened against or affecting MGC or any of its property or rights at law or in equity, or before any commission or other administrative agency, which, if determined adversely to it, will materially and adversely affect its financial condition or its ability to perform its obligations under this Agreement or the Guaranty.

6. Representations of MGS. In order to induce MBank, MLease, Revere, Revere No. 1 and Revere No. 2 to enter into this Agreement, MGS hereby represents and warrants to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 as follows:

(a) MGS is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas.

(b) MGS possesses all requisite power and authority to execute, deliver and perform this Agreement and to pay and perform the Obligations.

(c) The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of MGS.

(d) This Agreement has been duly executed and delivered by MGS, and this Agreement, the Participation Agreement, the Lease and the Assignment constitute the valid and binding obligations of MGS, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and subject to the qualification that equitable principles may limit the availability of certain equitable remedies (such as specific performance).

(e) No approval or consent is required for the authorization, execution, delivery or performance of this Agreement by MGS which has not been obtained.

(f) The execution, delivery and performance of this Agreement, will not cause MGS to be in violation of, or in default under, its articles of incorporation or bylaws, or,

any laws or regulations applicable to it, or any material agreement or instrument to which it is party or by which any of its properties may be bound.

(g) There are no actions, suits or proceedings, whether or not purportedly on behalf of MGS, pending or (to its knowledge) threatened against or affecting MGS or any of its property or rights at law or in equity, or before any commission or other administrative agency, which, if determined adversely to it, will materially and adversely affect its financial condition or its ability to perform its obligations under this Agreement or the Guaranty.

7. Amendments. This Agreement may be amended only by an instrument in writing executed by the party against whom enforcement of the amendment is sought.

8. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective representatives, successors and assigns, but MGC and MGS may not assign, delegate or otherwise transfer any of their respective rights, duties or obligations hereunder or interest herein without the written consent of all other parties hereto.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

10. Governing Law. This Agreement has been entered into in Dallas County, Texas and shall be performable for all purposes in Dallas County, Texas. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. Courts within the State of Texas shall have jurisdiction over any and all disputes arising under or pertaining to this Agreement; and venue in any such dispute shall be laid in the county or judicial district of MBank's principal place of business.

11. Further Assurances. MGC and MGS agree to execute and deliver appropriate financing statements as may be reasonably requested by MBank, MLease, Revere, Revere No. 1 or Revere No. 2 to effect the purpose of this Agreement.

12. Waiver. MGC and MGS each hereby waives protest, presentment, demand for payment, notice of intent to accelerate, notice of acceleration, notice of default or

non-payment, notice of dishonor and any other notices whatsoever in connection with the Obligations.

13. Notices. Any notice, payment, demand or communication required or permitted to be given by the provisions of this Agreement, the Participation Agreement, the Lease, the Consent or the Assignment shall be deemed to have been sufficiently given for all purposes if delivered personally to the party or to an officer of the party to whom the same is directed, or if sent by registered or certified mail, postage prepaid, addressed to such party at its address set forth below.

If to MGC: 101 East Sabine
P.O. Drawer 191
Kilgore, Texas 75662

Attention: Ruben S. Martin, III,
President

If to MGS: 101 East Sabine
P.O. Drawer 191
Kilgore, Texas 75662

Attention: Ruben S. Martin, III,
President

If to MBank: 1704 Main
P.O. Box 225415
Dallas, Texas 75265

Attention: Tony R. Weber

If to MLease: 1704 Main
P. O. Box 225415
Dallas, Texas 75265

Attention: John Flowers

If to Revere,
Revere No. 1 c/o Textron Investment Management
or Revere No. 2 40 Westminster Street
Providence, Rhode Island 02903

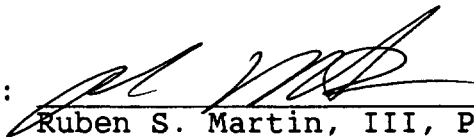
Attention: Vice President -
General Counsel

14. No Set-Offs of Defaults. MGC and MGS each hereby represent and warrant to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 that none of them has any counterclaims, set-offs or defenses, personal or real, or other causes of

action, known or unknown, with regard to any of the Obligations or any of the covenants or agreements arising under the Participation Agreement, the Lease, the Assignment or the Consent; and to the extent any such counterclaims, set-offs, defenses or other causes of action may exist, whether known or unknown, such items are hereby waived. MGC and MGS each hereby further represent and warrant to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 that no event has occurred and is continuing which constitutes a default or an event or default under the Participation Agreement, the Lease, the Assignment or the Consent or which would constitute such a default or event of default but for the requirement of notice or lapse of time or both.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives as of the date first above written.


MARTIN GAS CORPORATION

By: 
Ruben S. Martin, III, President

MARTIN GAS SALES, INC.

By: 
Ruben S. Martin, III, President

MLEASE CORPORATION

By: 
Authorized Officer

MBANK DALLAS, NATIONAL ASSOCIATION

By: 
Authorized Officer

THE STATE OF TEXAS)

COUNTY OF GREGG)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Ruben S. Martin, III, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Martin Gas Corporation, a Florida corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of ~~August~~, 1987.
September

Karen Williams
Notary Public, State of Texas

Karen Williams
(printed name)

My commission expires:

5-2-88

THE STATE OF TEXAS)

COUNTY OF GREGG)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Ruben S. Martin, III, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Martin Gas Sales, Inc., a Texas corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of ~~August~~, 1987.
September

Karen Williams
Notary Public, State of Texas

Karen Williams
(printed name)

My commission expires:

5-2-88

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Tony R. Weber, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MBank Dallas, National Association, a national banking association, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 8th day of October, 1987.

Jewel K. Gates
Notary Public, State of Texas
Jewel K. Gates
(printed name)

My commission expires:

12-8-90.

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared JOHN G. FARMER, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MLease Corporation, a Texas corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13 day of October, 1987.

Kristine Meadows
Notary Public, State of Texas
KRISTINE MEADOWS
(printed name)

My commission expires:

12-22-88.

THE PAUL REVERE PROTECTIVE
LIFE INSURANCE COMPANY

By: Richard F. Falvey
Authorized Officer
Richard F. Falvey, Assistant Treasurer

THE PAUL REVERE VARIABLE ANNUITY
INSURANCE COMPANY, ACCOUNT NO. 1

By: Richard F. Falvey
Authorized Officer
Richard F. Falvey, Assistant Treasurer

THE PAUL REVERE VARIABLE ANNUITY
INSURANCE COMPANY, ACCOUNT NO. 2

By: Richard F. Falvey
Authorized Officer
Richard F. Falvey, Assistant Treasurer

THE STATE OF Massachusetts)
COUNTY OF Worcester)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Richard F. Falvey, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The Paul Revere Protective Life Insurance Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30 day of October, 1987.

Elaine E. Fahey
Notary Public, State of Massachusetts

Elaine Fahey
(printed name)

My commission expires:

MY COMMISSION EXPIRES APRIL 24, 1992

THE STATE OF Massachusetts)
COUNTY OF Worcester)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Richard F. Falvey, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The Paul Revere Variable Annuity Insurance Company, Account No. 1, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30 day of October, 1987.

Elaine E. Fahey
Notary Public, State of Massachusetts

Elaine Fahey
(printed name)

My commission expires:

MY COMMISSION EXPIRES APRIL 24, 1992

THE STATE OF Massachusetts)
)
COUNTY OF Worcester)

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Richard F. Falvey, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The Paul Revere Variable Annuity Insurance Company, Account No. 2, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30 day of October, 1987.

Elaine E. Fahey
Notary Public, State of Massachusetts

Elaine Fahey

(printed name)

My commission expires:

MY COMMISSION EXPIRES APRIL 24, 1992

GUARANTY

THIS GUARANTY (this "Guaranty") dated as of January 3, 1986, entered into by MARTIN GAS CORPORATION, a Florida corporation ("Guarantor"), in favor of MBANK DALLAS, NATIONAL ASSOCIATION, a national banking association formerly known as Mercantile National Bank at Dallas ("MBank"), MLEASE CORPORATION, a Texas corporation formerly known as Mercantile Texas Capital Corporation ("MLease"), THE PAUL REVERE PROTECTIVE LIFE INSURANCE COMPANY, a Delaware corporation ("Revere"), THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY, ACCOUNT NO. 1, a Massachusetts corporation ("Revere No. 1"), and THE PAUL REVERE VARIABLE ANNUITY INSURANCE COMPANY, ACCOUNT NO. 2, a Massachusetts corporation ("Revere No. 2");

W I T N E S S E T H:

WHEREAS, pursuant to the terms of that certain Assumption Agreement of even date herewith among Guarantor, Martin Gas Sales, Inc., a Texas corporation ("Debtor"), MBank, MLease, Revere, Revere No. 1 and Revere No. 2, Debtor assumed the obligations of Martin Gas Sales, Inc., a previously existing Texas corporation ("Old Martin Gas"), under the Participation Agreement dated January 1, 1981 among Old Martin Gas, MBank, MLease, Revere, Revere No. 1 and Revere No. 2 (the "Participation Agreement"), the Lease dated as of January 1, 1981 between Old Martin Gas and MLease (the "Lease") and the Purchase Agreement Assignment dated as of December 30, 1980 between Old Martin Gas and MBank (the "Assignment"), and the Consent (as defined in such Participation Agreement) (the Participation Agreement, the Lease, the Assignment and the Consent being herein collectively called the "Agreements"), MBank, MLease, Revere, Revere No. 1 and Revere No. 2 released Guarantor from all liabilities and obligations under the Agreements, provided that Guarantor agrees to execute and deliver this Guaranty;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, Guarantor hereby covenants and agrees with the Creditors as follows:

1. Guarantor hereby irrevocably, absolutely and unconditionally guarantees to MBank, MLease, Revere, Revere No. 1 and Revere No. 2 (collectively, the "Creditors") the prompt, complete and full payment and performance when due of all obligations under the Agreements (the "Debt") for which Debtor now is or hereafter shall be obligated to any of the Creditors under the terms of the Agreements. Guarantor further agrees that this undertaking constitutes a guarantee of payment when

due (or performance when required, as the case may be) and not of collection. If Debtor fails to pay or perform all or any portion of the Debt as and when due or declared due (whether by its terms, by acceleration or otherwise) Guarantor will, upon demand by any of the Creditors pay or perform (or provide funds for the prompt and full performance of) the Debt in full to the Creditors.

2. If suit is brought or other action is taken on this Guaranty, Guarantor agrees to pay to the Creditors, if the Creditors are the prevailing party, both reasonable attorneys' fees and all other reasonable costs and expenses which may be incurred by the Creditors.

3. No action which any of the Creditors may take or omit to take in connection with any of the Agreements or any of their rights or remedies thereunder, and no course of dealing of any of the Creditors with Debtor or Guarantor, shall release or diminish the obligations of Guarantor hereunder, regardless of whether any such action or inaction may adversely affect Guarantor or Debtor in any way. Without limitation of the foregoing, Guarantor agrees that any of the Creditors may, without notice to or consent of Guarantor and without in any way affecting this Guaranty: (i) amend, waive, extend, release, accelerate or otherwise modify the terms of any of the Agreements; (ii) delay or neglect to enforce any of the Agreements, regardless of the effects of such delay or neglect; (iii) enforce their rights and remedies under any of the Agreements in such order and manner and against such persons as any of the Creditors may choose and compromise, settle, release or subordinate such rights, remedies and persons in any manner; (iv) accept or release additional collateral, guaranties and other security under any of the Agreements; or (v) apply all payments on the Debt (whether voluntary or involuntary, and including without limitation all proceeds of collateral and payments under any of the Agreements) to the various items of Debt, whether then due or not, without in any way being required to marshal collateral or assets or to apply any of such payments to any particular items of the Debt.

4. The obligations of Guarantor hereunder shall not be released or diminished by any change of law or in the circumstances or status of Debtor or Guarantor, including without limitation: (i) any legal proceedings, whether administrative, in bankruptcy or receivership or otherwise, with respect to Debtor or the assets of Debtor; (ii) the failure of any of the Creditors to file a claim or otherwise assert any of their rights against Debtor in any such proceeding; (iii) any release or relief given in any such

proceeding to Debtor with respect to any of the Agreements or any duties owed to or other rights of any of the Creditors; (iv) the invalidity, deficiency, illegality, subordination or unenforceability of any of the Agreements, in whole or in part, or any legal or equitable defense or excuse for the failure of Debtor to pay or perform any of the Agreements; (v) the failure of Debtor to make or perform any of the Agreements as contemplated or expected by Guarantor; (vi) the death, disability, incapacity, termination or dissolution of Debtor; and (vii) any set-off or counterclaim which may be available to Debtor.

5. The obligations of Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including without limitation any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Debt, any of the Agreements or otherwise. Without limiting the generality of foregoing, the obligations of Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of any of the Creditors to assert any claim or demand or to enforce any remedy under the lease or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, as the result of actual or alleged force majeure, commercial impracticability or otherwise, in the performance of the Debt, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of Guarantor or which would otherwise operate as a discharge of Guarantor as a matter of law.

6. Guarantor hereby waives any right to require any of the Creditors to make demand upon, institute legal action against or otherwise pursue or exhaust any legal remedies against Debtor or property of Debtor, and Guarantor acknowledges that none of the foregoing shall be a condition precedent to the full and complete enforcement hereof. Guarantor hereby waives, with respect to this Guaranty and each of the Agreements: (i) notice of the acceptance hereof or thereof, notice of the creation of or default under any Agreement and notice of any action or inaction with respect thereto; (ii) demand, presentment for payment and notice of demand, dishonor, non-payment or non-performance; (iii) notice of intention to accelerate, notice of acceleration, protest and notice of protest; and (iv) all other notices whatsoever.

7. The Creditors' rights under this Guaranty are cumulative of all other rights that any of the Creditors may have against Guarantor or Debtor and no exercise by any of the Creditors of any such right shall preclude the concurrent or subsequent exercise of any other right. This Guaranty supersedes any unwritten understandings of the Creditors and Guarantor with respect to Guarantor's obligations, and this Guaranty may not be waived, amended or released hereafter except by the express terms of a written instrument signed by the Creditors. Any such waiver or release shall be effective only in the specific instance and for the specific purpose for which given.

8. This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas. If any provision of this Guaranty is held void or unenforceable all other provisions hereof shall remain in full force and effect.

9. All notices and demands made hereunder to Guarantor or the Creditors may be made by personal delivery, mail or any other reasonable manner and shall conclusively be deemed made upon personal delivery, telex or telecopy, or three days after being mailed postage prepaid, to the following addresses:

If to Guarantor: Martin Gas Corporation
 101 East Sabine
 P.O. Drawer 191
 Kilgore, Texas 75662
 Attn: Ruben S. Martin, III

If to MBank: MBank Dallas, National Association
 P. O. Box 225415
 Dallas, Texas 75265
 Attn: Tony R. Weber

If to MLease: MLease Corporation
 P. O. Box 225415
 Dallas, Texas 75265
 Attn: John Flowers

If to Revere, The Paul Revere Protective
Revere No. 1 or Life Insurance Company
Revere No. 2: c/o Textron Investment Management
 40 Westminster Street
 Providence, Rhode Island 02903
 Attn: Vice President - General Counsel

A party's address hereunder will be deemed amended when written notice of any new address of such party is given to the other party.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty by and through its duly authorized officer as of the date first above written.

MARTIN GAS CORPORATION

By: _____
Ruben S. Martin, III, President